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Contact: Adrienne Bennett, Press Secretary, 207-287-2531

Governor Says Mainers Support Eliminating the Income Tax, Top Democrat Rejects the Idea

AUGUSTA – On the same day Governor Paul R. LePage launched a new online calculator for Mainers to compare the State's current tax rates to his proposed tax reductions, Speaker of the House Mark Eves made it abundantly clear he rejects the idea of eliminating the income tax burden on Mainers.

"There is ideological fabrication going on when Speaker Eves says the elimination of the income tax is a failed economic policy," said Governor LePage. "I have spoken to hundreds of Mainers, and there is growing support for getting rid of the income tax. It would be a massive paycheck increase to hardworking Mainers, and I believe they would welcome 1.2 billion dollars put back into their pockets."

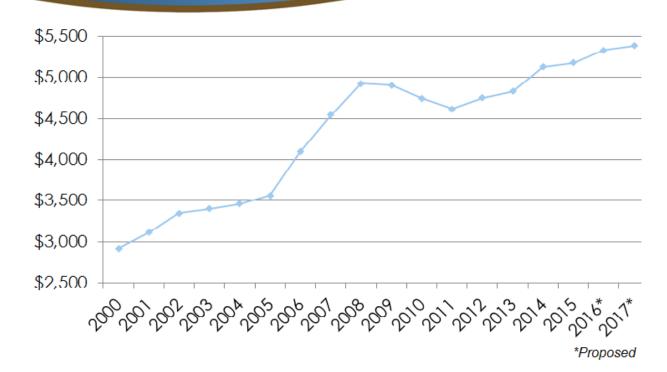
In a news conference on Wednesday, Speaker Eves told reporters: "We literally do reject the failed trickle-down economics theory that the governor is trumpeting. We think it has been bankrupting other states around the country. When you look at Kansas—they have done this out there—they failed. Arkansas, they failed. Louisiana, they failed. Their budgets are in disarray because they did what the governor is trying to do here."

Both Arkansas (7.0%) and Louisiana (6.0%) have an income tax so it is unclear what the Speaker means when he says they have done this out there and failed. In 2012, Kansas reduced the state income tax rate to 4.9 percent from 6.45 percent and eliminated income taxes for about 190,000 Kansas small businesses.

"Kansas had good intentions. We learned from Kansas and it's why our plan reduces the income tax gradually over a period of time while at the same time right-sizes government. Speaker Eves may be a competent marriage counselor, but he does not understand economics, and he is mistaken when he says the budget I presented is unpaid for and forces education cuts. Let me be clear: there are no education cuts in my budget." *Please note education funding graphs at end of page.

On Wednesday, Governor LePage also referenced he will introduce a constitutional amendment eliminating the income tax. He said there is room for compromise on this, as well. "The date in which we decide to eliminate the income tax is on the table. Let's talk about it," he said. "And if Liberals continue to refuse to want to help Mainers, let's allow the voters to decide."

State School Subsidy Appropriations Per-Pupil



For the third time since he took office in 2011, Governor LePage has proposed a two-year budget that increases funding for Maine schools and students. While enrollment has dropped by more than 8,000 students since Governor LePage took office, his biennial budget proposal increases funding for education by nearly \$148 million over what former Governor Baldacci and the Democratic-led legislature appropriated in his final two-year budget (FY10 and FY11).

Governor LePage's FY16 budget proposal includes \$964.1 million for General Purpose Aid for Maine schools (an increase of \$20.3 million over the \$943.8 million appropriated by the Legislature for FY 15) and \$966.3 million for FY17 (an increase of \$22.5 million over appropriated FY15 funding).